

SOCIAL SECURITY AND EDUCATION

INDIAN AFFAIRS

LETTER

FROM THE

CHAIRMAN, COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

TRANSMITTING

ITS REPORT ON SOCIAL SECURITY AND EDUCATION,
AND SEPARATELY, AS APPENDIX P, THE TASK FORCE
REPORT ON WELFARE ACTIVITIES. PART THREE,
FEDERAL POLICY AND ORGANIZATION FOR EDUCA-
TION; PART FOUR, FEDERAL ACTIVITIES AND OR-
GANIZATION IN THE FIELD OF EMPLOYMENT; AND
PART FIVE, RELIEF AND SOCIAL SECURITY, OF THE
TASK FORCE DOCUMENT, REFER TO THE SUBJECTS
UNDER DISCUSSION IN THIS REPORT



MARCH 21, 1949.—Referred to the Committee on Expenditures in the
Executive Departments and ordered to be printed with illustrations

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1949

The Commission on Organization of The
Executive Branch of the Government

HERBERT HOOVER, *Chairman*

DEAN ACHESON, *Vice Chairman*

ARTHUR S. FLEMMING

JAMES FORRESTAL

GEORGE H. MEAD

GEORGE D. AIKEN

JOSEPH P. KENNEDY

JOHN L. McCLELLAN

JAMES K. POLLOCK

CLARENCE J. BROWN

CARTER MANASCO

JAMES H. ROWE, JR.

Letter of Transmittal

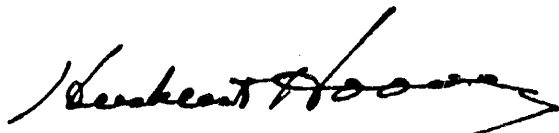
WASHINGTON, D. C.

21 March 1949.

DEAR SIR: In accordance with Public Law 162, Eightieth Congress, approved July 7, 1947, the Commission on Organization of the Executive Branch of the Government submits herewith its report on Social Security and Education, and separately, as appendix P, the task force report on Welfare Activities. Part Three, Federal Policy and Organization for Education; Part Four, Federal Activities and Organization in the Field of Employment; and Part Five, Relief and Social Security, of the task force document, refer to the subjects under discussion in this report.

The Commission wishes to express its appreciation to the members of its task forces in these fields and to the officials of departments and agencies who cooperated with them in their investigations.

Respectfully,

A handwritten signature in dark ink, appearing to read "Kenneth C. Hoover", with a long, sweeping horizontal stroke extending to the right.

Chairman.

The Honorable

The Speaker of the House of Representatives

Contents

PART ONE. WELFARE ACTIVITIES

	Page
I. Introduction	3
II. Proposed Departmental Organization	7
Chart: Proposed Agency Transfer to Form Department for Social Security and Education.	
Chart: Proposed Organization of New Department.	
Transfers from Federal Security Agency	12
General Comment	12

PART TWO. SOCIAL SECURITY

III. Grants-in-Aid	15
The Children's Bureau	17
IV. Old-Age Assistance and Retirement	19
Operation of Federal Public Systems	21
Government Employee Systems	23
Railroad Retirement Board	24

PART THREE. EDUCATION

V. Federal Participation in Education Generally	29
VI. Educational Activities in the New Department	33
VII. Bureau of Indian Affairs	34

PART FOUR. SEPARATE STATEMENTS OF COMMISSIONERS

Separate Statement by Vice Chairman Acheson, Commissioners Aiken and Rowe	37
Additional Comments by Commissioners Pollock and Rowe	49

RELATED TASK FORCE REPORT

Acknowledgment	52
--------------------------	----

Commission Report on Indian Affairs, p. 53

Part One

WELFARE ACTIVITIES

I. Introduction*

American concern over the problems of education, health, relief of the needy, aid to the handicapped, and assistance in unemployment and old age is as old as the Republic. Responsibilities in these fields were initially considered to be those of State and local governments.

With the growth of the Nation, these problems have become wider than local and State boundaries. There is a common interest of all citizens in the education of every citizen. There is a common interest in the advancement of science and in the common dangers from disease. There are obligations to veterans. The problems of unemployment extend beyond State borders. There is generally a recognition of the practical problems which lie in our obligation as "our brother's keeper."

All these circumstances have contributed to bring these problems more and more to the Federal level. In dealing with these matters, except in the case of veterans, the Federal Government has usually sought to preserve the responsibilities of local government and their agencies of administration in effecting the national purpose.

*DISSENT: Vice Chairman Acheson, Commissioners Aiken and Rowe dissent from the separation of health functions from other welfare activities and recommend the formation of a Department of Welfare, including health activities, in a statement given on p. 37.

It is not the province of this Commission to pass upon the policies that have evolved in these matters. We are concerned with the efficient and economical organization of the Federal agencies as we find them. The organizational problems of education, health, medical care, assistance to the handicapped and aged, and aid to the unemployed permeate every department of the Federal Government.

There is no perfect organizational arrangement for these functions. Many of them must be performed by specialized agencies like the Veterans' Administration, the Armed Forces, and the Labor Department. As the problems grow, specialization in organization will inevitably grow.

In our report on Medical Services, we have recommended a separate United Medical Administration, reporting directly to the President.¹ That agency would embrace the major hospitalization, medical research, and public health activities of the Government and, by its creation, bring about better medical care, development of medical staff, research, and protection of public health, together with large economies in administration.

In our report on the Labor Department, we recommended the return of several agencies now in the Federal Security Agency to that Department.

There remain, however, certain most important bureaus or agencies relating to education and security which must be

¹ See dissent of Vice Chairman Dean Acheson, Commissioners George D. Aiken and James H. Rowe, Jr., and the separate dissent of Commissioners John L. McClellan and Clarence J. Brown in the report on Medical Activities.

organized into a workable department. They are now, with one exception (the Bureau of Indian Affairs), in the Federal Security Agency.

The size of these agencies, after making the changes we have outlined, is somewhat indicated by the fact that they embrace about 20,000 employees. The administrative expenditures would be roughly \$50,000,000. The grants-in-aid to be distributed would approximate \$800,000,000.² For the calendar year 1948, the collections of Old-Age and Survivors Insurance approximated \$1,688,000,000, and disbursements \$550,000,000. The accumulated funds on August 31, 1948, were \$10,388,000,000.

While we discuss the educational problems at greater length later, it may be said here that it has long been suggested that the educational activities of the Federal Government should be given independent or Cabinet status. However, the Federal Government is not engaged in direct educational activities (except in a small way in the case of Howard University). Its function is that of stimulating educational advancement by research, issuing publications, and making grants-in-aid to the States. The administrative staff required is less than 500 persons.

We believe that the functions, including education, which we propose to assign to this department have such an im-

²In addition, the budget request for 1950 includes \$301,200,000 for Federal aid to education and \$65,000,000 for the extension of public assistance programs.

portant relationship to the formation of the domestic policies of the Government that the person in charge of the functions should be a member of the President's Cabinet.

Recommendation No. 1

We therefore recommend that a new Department to administer the functions set forth in this report be created and headed by a Cabinet Officer.

II. Proposed Departmental Organization

We have urged in our first report that good departmental administration requires that the Secretary have authority to organize and control his department, and that grants by the Congress of independent authority to subordinates or bureaus be eliminated.

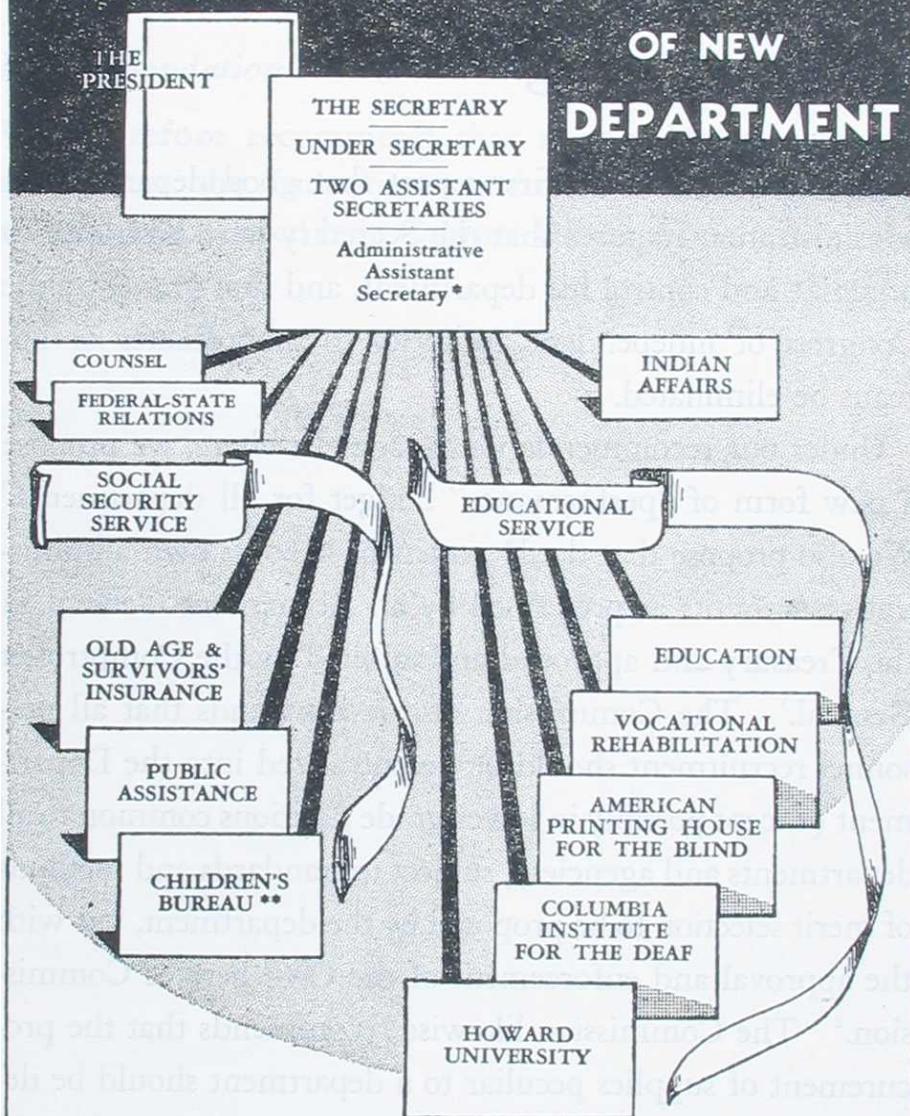
Under our recommendations made elsewhere, we propose a new form of "performance" budget for all departments.¹ We also propose that the Department keep its own administrative accounts as prescribed by an Accountant General in the Treasury and approved and audited by the Comptroller General.¹ The Commission also recommends that all personnel recruitment should be decentralized into the Department (except possibly in lower grade positions common to all departments and agencies), subject to standards and methods of merit selection to be proposed by the department, but with the approval and enforcement of the Civil Service Commission.² The Commission likewise recommends that the procurement of supplies peculiar to a department should be decentralized into the Department under standards and methods established by the Office of General Services. Items of common use would, of course, be handled by the Office of

¹ Report on Budgeting and Accounting.

² Report on Personnel Management.

PROPOSED ORGANIZATION

OF NEW DEPARTMENT



* The Administrative Assistant Secretary to be in charge of the following staff services:

- Finance ● Personnel ● Supply
- Management Research ● Information & Publications (including Library)
- Congressional Liaison

** Children's Bureau to move into staff capacity to Secretary, when divested of grant-in-aid functions.

General Services.³ Further, we propose that the Department should strengthen its management research unit, working in cooperation with a comparable staff unit under the Office of the Budget.¹

The present administrative structure of the Federal Security Agency, with few changes as to titles and assignments, would naturally be continued and transformed into the new Department. The staff organization should comprise:

THE SECRETARY

AN UNDER SECRETARY

THREE ASSISTANT SECRETARIES, one of whom should be Administrative Assistant Secretary in charge of staff services.

Recommendation No. 2

We recommend that these officials be appointed by the President and confirmed by the Senate, but that all officials in the department below the rank of Assistant Secretary be appointed by the Secretary.

The Administrative Assistant Secretary should preferably be appointed from the career service.

The following will indicate the opinion of the Commission concerning the arrangement of the Department. Part of this structure is already established in the Federal Security Agency. We are not, however, recommending a hard and fast rule. The Secretary should determine the organization and be free to amend it.

¹ Report on Budgeting and Accounting.

³ Report on the Office of General Services.

OFFICE OF COUNSEL

OFFICE OF FEDERAL-STATE RELATIONS

STAFF SERVICES, under the Administrative Assistant Secretary, with
an officer in charge of each:

Budgeting and Accounting

Personnel

Supply

Management Research

Information and Publications (including Library)

Liaison with Congress

SOCIAL SECURITY SERVICES

BUREAU OF OLD-AGE AND SURVIVORS' INSURANCE

BUREAU OF PUBLIC ASSISTANCE

(Grants-in-aid to States for Old-Age Assistance, Dependent Children
and the Blind)

CHILDREN'S BUREAU

EDUCATIONAL SERVICES

BUREAU OF EDUCATION

BUREAU OF VOCATIONAL REHABILITATION

AMERICAN PRINTING HOUSE FOR THE BLIND

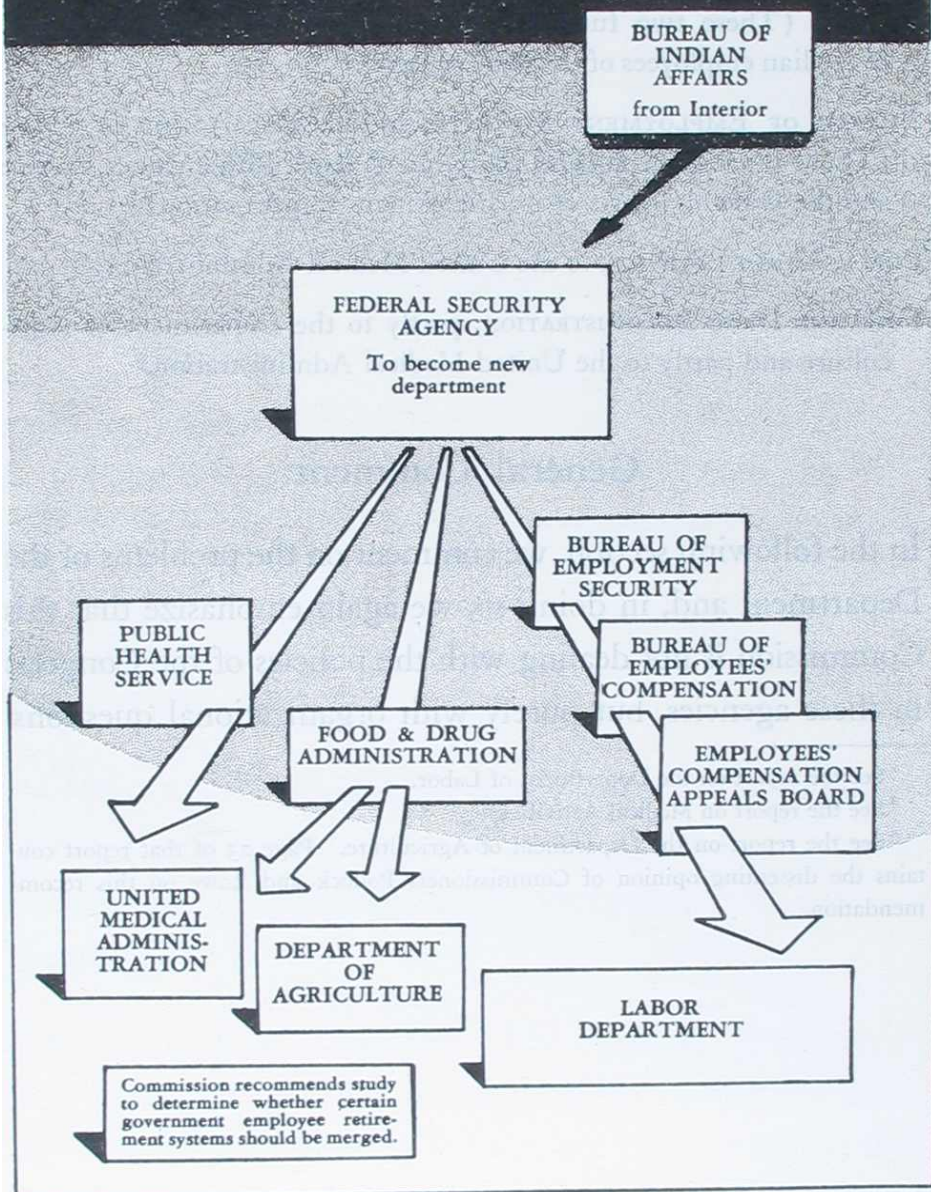
COLUMBIA INSTITUTION FOR THE DEAF

HOWARD UNIVERSITY, WASHINGTON, D. C.

INDIAN AFFAIRS

The functions of the Bureau of Indian Affairs, and the reasons for its transfer from the Department of the Interior to the new department, are outlined in the report on Indian Affairs, pp. 53 et seq.

PROPOSED AGENCY TRANSFERS TO FORM DEPARTMENT FOR SOCIAL SECURITY & EDUCATION



Transfers From Federal Security Agency

We elsewhere recommend the transfer from the present Federal Security Agency of the following:

BUREAU OF EMPLOYEES' COMPENSATION, to the Department of Labor.⁴

EMPLOYEES' COMPENSATION APPEALS BOARD, to the Department of Labor (These two functions relate to compensation for injuries of civilian employees of the Government).⁴

BUREAU OF EMPLOYMENT SECURITY, to the Department of Labor (These functions comprise the United States Employment Service and the Federal aspects of unemployment compensation).⁴

PUBLIC HEALTH SERVICE, to the United Medical Administration.⁵

FOOD AND DRUG ADMINISTRATION, partly to the Department of Agriculture and partly to the United Medical Administration.⁶

General Comment

In the following section, we comment on the problems of the Department and, in doing so, we again emphasize that this Commission is not dealing with the policies of the Congress in these agencies, but purely with organizational questions.

⁴ See the report on the Department of Labor.

⁵ See the report on Medical Activities.

⁶ See the report on the Department of Agriculture. Page 23 of that report contains the dissenting opinion of Commissioners Pollock and Rowe on this recommendation.

Part Two

SOCIAL SECURITY

III. Grants-in-Aid

A considerable part of the departmental function is conducted by grants-in-aid. Total grants are as follows:

<i>Programs</i>	<i>Federal grants in fiscal 1948</i>	<i>Average number of Beneficiaries 1946-47</i>
PUBLIC ASSISTANCE	\$775, 602, 000	
Old-Age	606, 594, 000	2, 271, 000
Dependent Children	151, 170, 000	1, 009, 000
Blind	17, 838, 000	62, 000
EDUCATION	19, 171, 000	*
CHILDREN	22, 000, 000	*
VOCATIONAL REHA- BILITATION	21, 662, 000	170, 000**

* These two activities pertain to segments of the whole population; the numbers of beneficiaries cannot be accurately estimated.

** Aggregate—fiscal year 1947.

The methods by which these grants are distributed may be summarized as follows:

For Old-Age and Blind: The Federal Government meets three quarters of the first \$20 monthly, plus half of amounts between \$20 and \$50. States and localities pay all over \$50 monthly.

For Dependent Children: The Federal Government pays three-quarters of the first \$12 monthly to one child, plus half of the amount between \$12 and \$27. For additional chil-

dren in the same household, payment per child in excess of \$12 is matched up to \$18. Above this level State and local governments bear the entire cost. The Federal Government reimburses the States for half of the amount expended for "proper and efficient administration."

For Vocational Rehabilitation: The Federal Government assumes 100 percent of the cost of administration and the cost of vocational counseling and placement. Other services are shared with States on a fifty-fifty basis. There is no fixed over-all participation ratio but States are expected to contribute 30 percent of total program costs except for the blind where States contribute 20 percent.

For Vocational Education: These funds are to be matched dollar for dollar by the States. Allocations to the States for different purposes are based on at least seven different formulas.

For Child Welfare: Twenty thousand dollars must be allotted to each State. The remainder is required to be allocated on the basis of approved plans in the proportion that a State's rural population bears to the rural population of the United States. There is no fixed matching ratio, but the wording of the act with reference to "cooperating" with State public welfare agencies and to paying "part" of the cost of local child welfare services clearly requires some State financial participation. In practice this is achieved by restrictions placed by the Federal administrative agency on the use of Federal funds.

Fund-matching factors differ by programs. For maternal and child health and crippled children's services, under the Children's Bureau, the law requires that one-half of Federal appropriation be matched equally by States, and that the other half be allocated at the discretion of the Administrator. This was designed to implement the development of services "especially in rural areas and areas suffering from economic distress."

The grant-in-aid system is discussed in our report on Federal-State relations.

The Children's Bureau

Recommendation No. 3

We recommend that, as soon as the integrated new Department develops a more unified approach to grants-in-aid, the Children's Bureau be divested of grant functions and the Bureau shifted to a general staff capacity to the Secretary.

The services of the Children's Bureau cut across the major areas of health, education, and welfare. The Bureau could function more effectively in a staff capacity concentrating on its functions of research, planning, and promotion. The decision as to who should take over these grants can be made at the proper time by the head of the Department.

IV. Old-Age Assistance and Retirement

Our investigation of governmental programs in the area of Old-Age Assistance has revealed the existence of a maze of private and public pension and retirement systems. New variations are constantly being added, and there appears to be little relationship among these programs.

The flexibilities of our society encourage transfer of working skills. Therefore, the individual, in changing employment or profession, may come under a number of different pension schemes—each totally unrelated to the other—and many persons are outside the scope of any existing system. Actuarial bases, when they exist, vary tremendously.

FEDERAL PROGRAMS

The Federal Government is concerned with the following programs which bear upon support in old age:

- a.* The Federal Old-Age and Survivors' Insurance Program which now includes about 40 million active accounts.
- b.* The Old-Age portion of the Public Assistance Programs under which about \$550,000,000 is disbursed annually by the Federal Government in supplement to State old-age assistance programs.

- c.* The veteran and military pensions and disability systems, and that for dependents of these groups, which are a direct charge on the Federal Treasury.
- d.* The Civil Service and Foreign Service retirement systems, also a partial charge on the Treasury.
- e.* The Railroad Retirement System, which is self-supporting.

OTHER PROGRAMS

In addition, a multitude of other private and governmental old-age pension and retirement systems now exist:

- a.* The State old-age assistance systems which are supported by State taxes and to which the Federal Treasury is a contributor (*b.* above).
- b.* Old-age or retirement pensions for most State and municipal employees.
- c.* Old-age or retirement systems set up by universities, hospitals, and various benevolent institutions.
- d.* A multitude of retirement or old-age pension systems set up by industries, insurance companies, and other businesses.
- e.* The establishment of old-age or retirement systems over whole industries by collective bargaining, such as that of the United Mine Workers.

These systems obviously overlap in the contributions from wages and salaries or from taxation, paid on a State or local basis, or passed on to the public through prices.

Operation of Federal Public Systems

Proposals are now being considered for the expansion in coverage and increase in allowances in the Federal Old-Age and Survivors' Insurance System. During the 12 years since its establishment this system has been altered. Originally a supposedly self-supporting system on an actuarial base, the system in all probability will call for appropriations from the Treasury to fulfill its obligations. Government actuaries estimate that in the absence of increases in the 2-percent pay-roll tax that, has thus far been levied for the support of the system, the reserve funds will be exhausted within less than 15 years.

For the fiscal year 1950, the budget estimates of the President indicate that the administrative cost of the Old-Age and Survivors' Insurance program will amount to about \$43,000,000. The administrative cost is now defrayed entirely from the receipts of the system.

For the fiscal year ended June 30, 1947, the Federal Security Agency estimated that total administrative costs amounted to 2.8 percent of contributions paid in, and to 9.6 percent of benefits paid out. About three-quarters of the administrative costs is spent for the maintenance and use of individual earnings records.

The present number of persons 65 years of age and over is about 10,600,000, or about 7.5 percent of the population. The number that will be in this age bracket 40 years hence is estimated at about 21,500,000, or over 13 percent of the popu-

lation. By 1950, it is estimated that pay-roll taxes will total a minimum of about \$2.5 billion, and the disbursements to beneficiaries a minimum of over \$600 million. As of August 1948 the reserve fund was estimated at \$10,388,000,000.

The present costs of administration are no indication of future costs, even granting no further change is made in the system. The full administrative load is still several years ahead. At that time, large numbers of persons will become eligible for benefits. In the fiscal year 1947, the total number of beneficiaries under the system was less than 2 million persons. Even in the fiscal year 1950 it will be around 3 million. The real burden of administrative cost will become evident only when approximately the same number of persons is being added and subtracted each year.

All these problems, and others, raise the question of congressional examination of the whole subject. Some entirely new system may be necessary if we are to provide adequate protection against the hazards of old age for the American people.

Recommendation No. 4

The Eighth Annual Report of the Board of Trustees of the Federal Old-Age and Survivors' Insurance Trust Fund has stated:

. . . There is need for a review of the old-age and survivors' insurance program covering not only the benefit formula, the coverage of the system, and the scope of protection afforded, but also contributions and financial policy.

We recommend that such a review be made.

Government Employee Systems

At the present time there are several contributory retirement systems operating within the Federal Government.

The comparative size of these systems is indicated below:

<i>Retirement system</i>	<i>June 30, 1948</i>	
	<i>Estimated number employees covered</i>	<i>Balance in fund</i>
CIVIL SERVICE	1, 758, 000*	\$2, 825, 820, 000
ALASKA RAILROAD	2, 400	3, 144, 000
CANAL ZONE	4, 500	13, 393, 000
FOREIGN SERVICE	12, 400	12, 134, 000
TENNESSEE VALLEY AUTHORITY	10, 500	19, 110, 000
DISTRICT OF COLUMBIA, TEACHERS	200	14, 202, 395
CIVILIAN TEACHERS AT NAVAL ACADEMY	200	**

* Not including employees of the legislative and judiciary branches and the District of Columbia, who number about 17,000.

** Not a trust fund. Members receive policies of commercial insurance companies.

Generally, the benefits under the Civil Service system are more comprehensive. Merger of these systems might produce economies through elimination of unnecessary accounting and duplication of legislation by the Congress. The usual experience has been that, as the Civil Service Retirement Act is amended, the other systems follow with requests for similar amendments.

While the benefits granted in all these systems differ, the Civil Service Retirement system is generally the most liberal with the exception of the Foreign Service system.

coverage, and unemployment compensation made a Federal function, the factors of efficiency, benefits, employee satisfaction and tradition all militate against transfer of the Railroad Retirement System to either of the two departments concerned.

Recommendation No. 6

The Commission recommends the retention of the Railroad Retirement Board in its present status.

Part Three

EDUCATION

V. Federal Participation in Education Generally

Total Federal funds expended for all educational purposes, including the education of veterans, are at present at an all time high of over \$2.5 billion.

The major purposes of these expenditures may be classified as follows:

- a.* Federal activities concerning all levels of education—such as education of veterans, institutional on-farm training, vocational and physical rehabilitation, and education in nonmilitary subjects within the military establishment—over \$2 billion.
- b.* Federal activities clearly related to elementary and secondary education—\$166 million.
- c.* Federal activities clearly related to higher education—\$257 million.

In addition, the Federal Government has rendered considerable assistance to education in nonbudgetary items, particularly since the recent war. For example, during approximately two years prior to May 1948, surplus property initially valued at \$646,663,358 was made available to educational institutions by the War Assets Administration,

Army, Navy, and Air Force, with the cooperation of the Office of Education.

With few exceptions, the Federal interest in education centers on: special groups of individuals, special programs sponsored by the Federal Government, or on research and training to promote some special Federal concern such as national defense or in-service training of Federal employees. The variety of Federal activities in education is indicated by the following:

a. At elementary and secondary levels:

- i. Promotion of curricula.
- ii. School lunch program.
- iii. Education for dependent children of Federal employees.
- iv. Education of Indians and other native people.

b. At the level of higher education:

- i. Research grants to colleges and universities.
- ii. Higher education of special groups of individuals, or individuals in special fields (Howard University, public health training, extension service of the Department of Agriculture).
- iii. Special types of State higher institutions such as land-grant colleges and State Maritime academies.
- iv. International education programs.
- v. Education and training for public service.

c. Activities not specialized:

- i. Veterans.
- ii. On-farm training.
- iii. Vocational and physical rehabilitation.
- iv. Education in nonmilitary subjects within the military establishment.

- d.* Activities not connected with established educational institutions such as in-service training for government service, or programs for non-Federal employees.
- e.* Nonbudgetary Federal assistance through surplus property.

With respect to elementary and secondary educational activities, there has been overlapping and independent promotion of curricula in highly specialized fields, while the general curricular needs of the country have been neglected. Direct aid to local schools, with respect to curriculum development and the school lunch program, has circumvented State departments of education. There has not been sufficient coordination of the educational and nutritional aspects of the school lunch program. As regards its responsibility for the education of children of Federal employees on federally owned properties, the Federal Government does not have a consistent and comprehensive policy. There is no common policy for the education of Indians, Eskimos, and other native peoples living in our insular and mandated territories, since this responsibility is dispersed among a number of agencies of Government.

Concerning higher education, nine departments and agencies are making grants or entering into contracts for research through colleges and universities without any coordination of these programs.¹ For years the Government has made payments for agricultural research. More recently the Gov-

¹ See our report on Federal Research.

ernment has been spending huge sums in grants to higher institutions for atomic and military research. These projects are concentrated in the natural and physical sciences. The grants have an important effect on the educational system.

There are those who believe that these various educational programs should be concentrated in the Office of Education.

Recommendation No. 7

This Commission believes, however, that these educational programs must be administered by the agencies whose functions the particular programs serve to promote.

VI. Educational Activities in the New Department

The new department, however, should analyze the effects of expenditures and programs relating to education and assist the President in making recommendations to the Congress for the correction of deficiencies. In addition, the Department would, of course, continue to perform the historic functions of the Office of Education as follows:

- a.* To collect data on the condition and progress of education and to serve as a source of general information on the subject.
- b.* To administer certain operating functions vested in that agency by the Congress.
- c.* To render professional advice and service to other Government agencies.

VII. Bureau of Indian Affairs

Due to the Bureau's diversified duties and responsibilities, there is no Department in the Government where it fits satisfactorily. Certainly with the reorientation of the Department of the Interior, which we have recommended, it has little relation to the other activities of that Department. As, however, probably the major relation of the Bureau is to education, it does have a close relationship to the educational activities of, and could be given stronger leadership in, the new Department.

Recommendation No. 8

We recommend that the Bureau of Indian Affairs be transferred from the Department of the Interior to the proposed department which would embrace social security and educational functions.¹

The Commission's report on Indian Affairs appears on p. 53.

¹ See dissents of Vice Chairman Acheson, Commissioners Rowe and Forrestal, pp. 77-80.

Part Four

**SEPARATE STATEMENTS OF
COMMISSIONERS**

Separate Statement by Vice Chairman Acheson, Commissioners Aiken and Rowe

Additional Views of Commissioners Pollock and Rowe

Separate Statement by Vice Chairman Acheson, Commissioners Aiken and Rowe

We favor a Department of Welfare.

We propose it be established by the simple device of renaming the Federal Security Agency which would give that agency departmental status and cabinet representation. The new Department would be charged with the "major purpose" of administering the governmental activities of health, education, and welfare. In general, these would be the functions the Federal Security Agency now administers.

If the executive branch is to be made more manageable and the load upon the President is to be lightened, the volume of supervision and coordination at the Presidential level must be minimized by reducing the number of independent agencies and improving the grouping of programs and agencies in departments. Experience demonstrates that adequate coordination of closely related agencies cannot be achieved simply through staff facilities in the Executive Office of the President. The task is simply too great to be performed at that level along with the large volume of top management and interdepartmental coordination matters which can be handled at no other point. Effective management of the

executive branch demands that the supervision and coordination of interrelated functions be achieved to the greatest practicable degree through departments.

On the basis both of the magnitude of its operations and of the public importance of its programs, the Federal Security Agency clearly merits departmental status. The conversion of the Agency into an executive department would merely bring it into line with its established role in the Government.

Our main disagreement with our colleagues is their insistence that the health functions of the Federal Security Agency be "splintered" away from the new Department and placed in a hospital agency to be called the United Medical Administration. This would be a new independent agency reporting directly to the President.

We would, instead, place the governmental hospital activities in the Department of Welfare where, on the basis of the major purpose of "welfare," they belong. In any event we would retain the Public Health Service in the new Department irrespective of the ultimate disposal of the hospital functions.

We have given our reasons for this recommendation elsewhere¹ and will refer only briefly to them here.

¹ See our separate statement in the Commission report on Medical Activities.

Recommendation No. 1

We recommend that the present grouping of the health functions of the Federal Security Agency with related educational and social security functions should be continued and strengthened by placing all such functions in a Department of Welfare.²

The functions and agencies now included in the Federal Security Agency constitute a sound and desirable grouping for purposes of administration. Broadly speaking, these functions comprise segments of the general public purpose of promoting the social well-being of the people; or, to put it another way, of conserving and developing the human resources of the Nation.

The programs administered by the Agency are in large part directed toward assisting State and local health, education, and welfare agencies through grants-in-aid for public health services, vocational education, vocational rehabilitation, public assistance, and child health and welfare services. Hand in hand with the programs of financial aid go research and promotional programs in the same fields, with the Federal Government conducting—and also helping the States and others to conduct—studies, investigations, and demonstrations aimed at increasing our knowledge of human health, educational, and social security needs.

² We agree with the recommendation, in the Commission report that the unemployment compensation and employment service functions should be transferred to the Department of Labor. They are "labor" functions, not "welfare" functions.

Further, the Agency administers several wholly Federal programs, including those in the social insurance field such as the old-age and survivors insurance program and the various Federal workmen's compensation laws.

The activities included in the functional fields of the Agency are related and interwoven at almost every point. This is especially true in the interrelation between the general health functions and the other functions of the Agency. Even a superficial examination of the Federal Security Agency's activities will show clearly how they continually overlap and cut across the major functional fields of health, education, and security.

For example, the maternal and child health and crippled children's programs of the Children's Bureau assist the States to finance services which fall in large measure in the field of health, but also in the fields of education, welfare, and social security. The vocational rehabilitation program successively involves the physical restoration, vocational training, and economic security of handicapped individuals. Problems of the aged and the blind are as much health problems as they are welfare, public assistance, and vocational rehabilitation problems, and receive the attention of the Bureau of Public Assistance, the Office of Vocational Rehabilitation, and the Public Health Service.

Conversely, the activities of the Federal Security Agency in the field of health research, health promotion, and health grants-in-aid depend upon, and in turn affect, the other fields for which it is now responsible. Medical research and pro-

professional training in the health fields are as much problems for the educators as they are the concern of health administrators. Preventive public health work depends for effectiveness on community education through schools, welfare agencies, and otherwise. Child life and development programs cannot operate effectively in the community without local public health units to which they can be attached as a specialized branch.

Such instances of the functional interrelationships among the existing health, education, and security programs of the Federal Security Agency can be multiplied many times over. One need not be an expert to understand that an individual's health, education, and security are inseparable. The professions themselves recognize it as axiomatic. The doctor is the first to point out that ignorance and poverty are as much foes of health as infection and physical degeneration; the teacher, that education cannot make headway against illness and hunger and fear; the social worker, that without health and training the combined efforts of the individual and society can achieve only a meager or precarious security.

The interrelationship and interdependence of health, education, and security are equally self-evident when we deal with governmental organization as when we discuss the well-being of the individual.

Coordination, through an integrated executive department, of the major health, education, and security functions of the Federal Security Agency becomes all the more important when we consider the impact of these functions upon State

and local policies and operations in these fields. At the Federal level general health functions—apart from the direct operation of hospitals—and education and welfare functions are primarily research, promotion, and the administration of grants-in-aid. Direct operations are in the hands of State, local, and private organizations. To the extent that responsibility for Federal administration of these grants is divided, the States and communities will be confronted with conflicting and competing policies, and with inconsistent and overlapping reporting, accounting, and other administrative controls. Some of this is unavoidable in view of differences in the statutory authorizations for the various programs. But much has been and more can be accomplished through top-level coordination of fundamental grant policies and procedures as applied in all the grant and promotion programs.

Coordination at the Federal level is the key to balanced, economical, and effective State and local programs in the health, education, and social security fields, as well as the key to effective Federal administration.

Recommendation No. 2

We recommend that the Assistant Secretaries should be “generalists,” not “specialists.” No restrictions by way of professional qualifications should be placed upon the President in appointing these officers.

Almost all of the existing programs are characterized by a high degree of professionalism. In addition, the Office of

Education, Office of Vocational Rehabilitation, Public Health Service, Bureau of Public Assistance, and Children's Bureau all administer grants or payments to the States and generally function in areas in which the States have major responsibilities and programs for direct operations. This exerts a tremendous centrifugal force contrary to the need for coordination and direction by the head of the agency. The incentive for the bureaus within the agency is for an alliance with their counterparts on the State and local levels in order to influence directly programs and appropriations, for more independence on the Federal level, and consequently for less responsibility to the President and the Congress.

To enable him to meet his responsibilities, the Secretary should have full discretion as to the assignment of duties to Assistant Secretaries. He should *not* be hampered by statutory provisions which, directly or by inference, assign the supervision of various agencies of the Department to specific Assistant Secretaries. Such provisions would tend to break the Department into a group of independent baronies.

Assistant Secretaries appointed to represent their respective professions are not likely to be very helpful to the Secretary in the all-important task of giving a common direction to the several professional points of view within the new Department. They would insert an unnecessary administrative layer between the Secretary and the chiefs of the operating bureaus who would normally be career men in the professions involved. The establishment of Assistant Secretaries for specific fields would largely duplicate the positions of

bureau chiefs such as the Commissioner of Education and the Commissioner for Social Security.

There are objections perhaps even more fundamental. Of course, professional skills play a vital role in this area. But governmental programs must be administered to serve the citizen, not exalt the professional. It is the well-being of the individual, not control by doctors, educators, or social workers, with which the Government's health, educational, and social security functions are primarily concerned.

Use of Advisory Bodies

Recommendation No. 3

We recommend that Congress limit the establishment by statute of advisory bodies to the instances where very special circumstances warrant their creation. In those special instances, the statutory authorization should confine itself to authorizing in general terms the creation of such a body by the responsible administrator—the head of the department.

The membership of such bodies should be flexible and not completely specified by statute. Such bodies should be appointed by, be advisory to, and serve at the pleasure of, the department head. The advisory group should be advisory and not wield any administrative or rule-making authority. This is in accord with the general principles stated in the first report of the Commission.

This area of Government is characterized by a plethora of such advisory bodies, established by statute on an extremely specialized basis and exercising varying degrees of authority. The outstanding example is the Public Health Service, with a statutory advisory council of specialist doctors for almost every program it administers. Most of these councils are set up by types of disease or specialty within the medical profession such as cancer, mental health, heart disease, etc. In one case—the hospital construction program—the “advisory” group can actually override the decision of the Surgeon General and, by approving a previously disapproved hospital plan, commit the expenditure of public funds.

Consultation with affected and interested groups is a part of responsible, democratic administration. Such advisory groups in limited number are useful for purposes of getting outside advice and views. But statutory standing connotes—something more than mere advice, since an administrator already has sufficient authority to appoint such bodies. In addition, when such bodies are established by specialty such as mental health or heart disease, they lose their broad representative character and are destined to push a special point of view. It is unsound and uneconomical administration to assume that the encouragement of special interests will fulfill the general interest.

Bureau of Employees' Compensation

Recommendation No. 4

We recommend that the Bureau of Employees' Compensation be retained in the new Department of Welfare where it can be closely associated with other Federal social insurance programs.

We do not agree with the Commission report as to this Bureau. The Bureau administers the various Federal workmen's compensation programs of the Federal Government—those covering Federal employees, longshoremen and harbor workers (not protected under maritime liability laws or State workmen's compensation acts), persons in the District of Columbia, and miscellaneous groups.

No substantial reasons are advanced by the majority for transfer of the functions of this Bureau to the Department of Labor. These workmen's compensation functions bear not the slightest resemblance—in major purpose, in method of operation, in groups protected, or otherwise—to any existing operating program of that Department. They bear only superficial resemblance to the unemployment compensation grant-in-aid program which we recommend be transferred to Labor. Determination of the nature and extent of disablement for disability benefits involves considerations wholly dissimilar to those involved under unemployment compensation laws in determining an unemployed individual's willingness and readiness to work and the amount of benefits payable to

him. Moreover, the Bureau of Employees' Compensation operates a wholly Federal program, not a grant-in-aid Federal-State program. A workmen's compensation program has little, if any, relation to employment service activities. Labor-management relations, except possibly in the field of safety promotion, play no part in its operation.

On the other hand, workmen's compensation is our oldest form of social insurance. The Bureau administering Federal workmen's compensation laws logically belongs with the agency primarily responsible for the Government's other programs in the social insurance field, particularly if proposals for social insurance against loss of wages due to any disability are enacted into law. In its manner of operation, as well as its basic objectives, it resembles most closely the old-age and survivors' insurance program now in the Federal Security Agency. It must maintain close relationships with the Office of Vocational Rehabilitation in that Agency, and it leans heavily on the Public Health Service in making determinations of the extent of disablement and proximate cause of disability and death in cases of Federal employees.

DEAN ACHESON,
Vice Chairman.

GEORGE D. AIKEN,
JAMES H. ROWE, JR.,
Commissioners.

Additional Comments by Commissioners Pollock and Rowe

The Food and Drug Administration should remain, as a unit, with the other public health activities unless, and until, careful study shows its functions should be placed elsewhere.

Under the majority opinion, the food aspects of the Food and Drug Administration would be split away and assigned to the Department of Agriculture; the drug aspects would be transferred to a proposed Bureau of Health. This recommendation apparently results from the association of the word "food" with agricultural and processing programs, and the association of the word "drug" with health matters.

The real basis for grouping functions is the one emphasized by this Commission in its first report on "General Management of the Executive Branch"—on the basis of "major purpose."

The major purpose of the Food, Drug, and Cosmetic Act and the basic concern of the Food and Drug Administration *is to protect the consumer*. This is accomplished at present under a unified program designed to safeguard the consumer against: Economic cheats (misleading and deceptive labels, substitution of cheaper ingredients, short weight); filth and other extraneous or obnoxious materials; harmful products

or products containing harmful ingredients; and drugs and devices for which false curative claims are made.

The Food and Drug Administration has a single corps of inspectors and chemists whose assignments are interchangeable among food, drug, cosmetic, and other aspects of its work. The same group of inspectors and chemists in a field station can now concentrate on a food project which is "in season" and can move thereafter to a drug or cosmetic project without slack work periods or seasonal inactivity. Common skills and processes are involved in the inspections and laboratory investigations essential to effective enforcement. There is a common system for selecting, training, and developing the scientific, technical, and administrative personnel required in the Administration's work. Trade and business relations regarding food, drug, and cosmetic matters are similar. Relationships with the United States District Attorneys, the Department of Justice, and the Federal Courts are the same for the enforcement of the law with respect to either foods, drugs, cosmetics, or therapeutic devices. Identical techniques also apply to the control of the import of all these commodities.

The splintering apart of the Food and Drug Administration, at least on the basis recommended by the Commission, would create—rather than eliminate—duplication and overlapping of services, activities, and functions. The one common system of Washington and field laboratories and the one common and interchangeable professional staff of chemists and inspectors that now serve the Food and Drug Administra-

tion would be supplanted by two systems of laboratories and two staffs. These two separate staffs, working independently of each other, would be without the flexibility and economy of work assignment permitted under existing arrangements. Furthermore, the basic law enacted in 1906, and revised in 1938, has many identical provisions applying uniformly to food, drug, and cosmetic products. It would be chaotic if the provisions of this law were separately applied by two different agencies.

No substantial evidence has been presented and no convincing case has been made for splitting the Food and Drug Administration's work and dividing it as proposed in the Commission's report. There is no claim that such action would eliminate duplication of effort. No evidence has been presented to indicate that such action would result in more effective consumer protection or in more economical or efficient operation.

This is not to say that we believe there are no organizational problems in this most complex field. There are duplications, overlaps, and inconsistencies between Food and Drug, the Federal Trade Commission, the Department of Agriculture, and the Antitrust Division of the Department of Justice. As individual Commissioners, with insufficient staff at our disposal, we are unable to point the way to improvement. But until that way is carefully and thoroughly documented, we feel it is wiser to leave things as they are.

JAMES K. POLLOCK,
JAMES H. ROWE, Jr.,
Commissioners.

Related Task Force Report

The Commission has printed the complete task force report on Welfare Activities and submits it to the Congress as Appendix P.

Acknowledgment

The Commission wishes to express its appreciation to the following persons on the task force:

DR. LEWIS MERIAM, vice president, the Brookings Institution.

DR. HOLLIS P. ALLEN, education aspects—Claremont Graduate School, California.

DR. AVERY LEISERSON, employment aspects—University of Chicago.

Indian Affairs

*A report to the Congress by the Commission on
Organization of the Executive Branch of
the Government, March 1949*

The Commission on Organization of The
Executive Branch of the Government

HERBERT HOOVER, *Chairman*

DEAN ACHESON, *Vice Chairman*

ARTHUR S. FLEMMING

JAMES FORRESTAL

GEORGE H. MEAD

GEORGE D. AIKEN

JOSEPH P. KENNEDY

JOHN L. McCLELLAN

JAMES K. POLLOCK

CLARENCE J. BROWN

CARTER MANASCO

JAMES H. ROWE, JR.

Letter of Transmittal

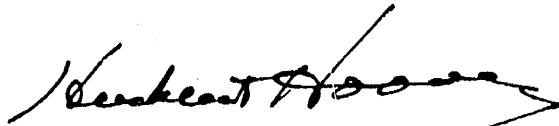
WASHINGTON, D. C.,

18 March 1949.

DEAR SIRs: In accordance with Public Law 162, Eightieth Congress, approved July 7, 1947, the Commission on Organization of the Executive Branch of the Government has examined into executive functions and activities. Herewith is submitted to the Congress, the Commission's report on Indian Affairs. The task force report is submitted separately in typescript.

The Commission wishes to express its appreciation for the work of the task force on Indian Affairs and for the cooperation of the officials of the department concerned with this report.

Respectfully,

A handwritten signature in dark ink, appearing to read "Herbert Hoover", with a long, sweeping horizontal stroke extending to the right.

Chairman.

The Honorable

The President of the Senate.

The Honorable

The Speaker of the House of Representatives.

Contents

	Page
INDIAN AFFAIRS	59
Varying Policies	59
The Indian Population	60
Federal Administration	62
PROPOSED FEDERAL POLICY	65
ADMINISTRATIVE RECOMMENDATIONS	69
TRANSFER OF THE BUREAU OF INDIAN AFFAIRS	71
Education	72
Social Problems	72
Coordination With Other Departments	73
Savings	75
DISSENTS OF COMMISSIONERS	
Dissent by Vice Chairman Dean Acheson	77
Dissent by Commissioner James H. Rowe, Jr.	79
Dissent by Commissioner James Forrestal	80
RELATED TASK FORCE REPORT	
Acknowledgment	81

Indian Affairs

The difficulties that face the Federal Government in guiding the affairs of the American Indians have been emphasized by recent crises. For example, the Navajo Nation, comprising some 55,000 Indians in New Mexico, Arizona, and Utah, is in severe financial straits that have caused widespread malnutrition and starvation. This has occurred at a time when the United States as a whole is enjoying prosperity and virtually full employment.

Many other Indian groups, among the estimated 400,000 in the United States face similarly severe conditions. Their standard of living is low and there is a serious problem in maintaining their health. Educating them properly has proved extremely difficult. Assistance and guidance to them has been a knotty and continuing problem of the Federal Government, whose Bureau of Indian Affairs in the Department of the Interior, has direct responsibility for their welfare.

Varying Policies

The Federal Government's policy toward the Indians has varied sharply with changing conditions.

In the early days of the Republic, attention focused on the serious military threat which the Indians presented.

Through the Civil War and decades immediately following, the Indians were progressively evacuated westward; the military problem was isolated in specific areas. Eventually, it ceased to exist.

Concentration of the Indians on reservations was an integral part of Federal efforts to end their forays and wars. As the years passed, however, the reservations became the land base from which Indians extracted their living. The policy of the Federal Government has always revolved about these reservations, their use, and their disposition.

In the first quarter of the present century, the Federal Government encouraged a program of allotting tribal lands to individual Indians, but insufficient consideration was given to the capabilities of the individual Indian, or to the economic value of the lands. Since the late 1920's, the Federal Government has ceased pressing a liberal allotment policy. The Indian Reorganization Act of 1934 extended the Federal trust period indefinitely and made possible the addition of lands to tribal holdings. Loans to Indians were authorized, and the growth of Indian culture encouraged.

In very recent years, the policy of the Bureau of Indian Affairs has been directed more and more toward gradual integration of all Indians into the general population and economy, along the lines recommended by this Commission.

The Indian Population

The Indian population is no longer a pure ethnic group. Rather it represents a melange of "full bloods" and persons

of mixed ancestry. Persons classified as Indians under Federal policy and participating in tribal organizations are in many cases not Indians in the complete biological sense. This is illustrated by the following definition of "Indian" taken from the Indian Reorganization Act of 1934, the most recent definitive statement of Federal policy toward the Indians . . .

. . . The term "Indian" as used in this act shall include all persons of Indian descent who are members of any recognized Indian tribe now under Federal jurisdiction, and all persons who are descendants of such members who were on June 1, 1934, residing within the present boundaries of any Indian reservation, and shall further include all other persons of one-half or more Indian blood. For the purpose of this act, Eskimos and other aboriginal peoples of Alaska shall be considered Indians.

Government records recognize more than 100 tribes under distinct names and approximately 300 other groups who are separated either geographically or by linguistic stock. The larger groups are located as follows: Oklahoma, 110,000; Arizona, 55,000; New Mexico, 43,000; South Dakota, 30,000; North Dakota, 12,000; California, 24,000; Montana, 18,000; Minnesota, 18,000; Washington, 15,000; Wisconsin, 13,000; New York, 9,000; Oregon, 5,500; Nevada, 5,600; Michigan, 5,200; and more than 30,000 in Alaska. The Indians' cultural and economic advances vary widely because of many special circumstances—land holdings, utility of land, and others.

Federal Administration

The Bureau of Indian Affairs is charged with Federal responsibility for the Indians. It employs approximately 12,000 people; it administers approximately 5,000 statutes and 370 treaties; it operates schools and hospitals; it supervises land and management; it constructs irrigation projects; it builds roads and buildings; it assists in the growth of the political life of the Indian communities; and it handles a multitude of related activities reaching down into the most minor facets of the life of the individual Indian.

Expenditures from the Federal Treasury on Indian affairs are difficult to compute, because so many Federal agencies participate in Indian activities, and because substantial expenditures are made from trust funds, tribal funds, and other special accounts on their behalf. Appropriations to the Bureau of Indian Affairs are now in the neighborhood of \$40,000,000 per annum, more than twice what they were 20 years ago. Prorating this amount on a per capita basis, these direct appropriations amount to approximately \$100 per Indian. As compared with a Federal budget of \$40,000,000,000, these amounts are not large, but Indian relations, from the viewpoint of the individuals involved, is a difficult and, at times, a heart-rending personal problem. Given the apparent inability of the Federal Government—over a period of more than 100 years—to free itself from responsibility for their activities, the problems loom large indeed.

The following sections of this report are devoted to the commission's analyses and recommendations regarding the conduct of Indian affairs by the Executive Branch of the Government.

Recommendation No. 1

Our Task Force on Indian Affairs, supported by a considerable body of thought both inside and outside the Government, advocates progressive measures to integrate the Indians into the rest of the population as the best solution of "the Indian Problem." In the opinion of the Commission this policy should be the keystone of the organization and of the activities of the Federal Government in the field of Indian Affairs.¹

¹ **DISSENT:** Vice Chairman Dean Acheson dissents in part in a statement on p. 77. Commissioner James H. Rowe, Jr., concurs in the dissent, p. 79. Commissioner James Forrestal dissents on p. 80.

Proposed Federal Policy

A program for the Indian peoples must include progressive measures for their complete integration into the mass of the population as full, tax-paying citizens. The Commission has recommended that this be the firm and continuing policy of the Federal Government.

Recommendation No. 2

The Commission recommends that, pending achievement of the goal of complete integration, the administration of social programs for the Indians should be progressively transferred to State governments.

The States should receive appropriate recompense from Federal funds until Indian taxes can help carry the load. The transfer to the States should be accompanied by diminishing activities by the Bureau of Indian Affairs.

Recommendation No. 3

The Commission recommends that all agencies concerned with Indian affairs, including State and local governments, should take part in comprehensive planning of programs to carry out this policy.

Recommendation No. 4

The Commission recommends that the objectives of the proposed joint planning should include:

- a.* Adequate education for the entire Indian population.
- b.* An adequate standard of living.
- c.* Progressive reduction of mortality and morbidity rates.
- d.* Progressive transfer of social program responsibilities to the State and local governments, as recommended above.
- e.* Ultimate transfer of responsibility for medical services to local governments or to quasi-public bodies.
- f.* Transfer of tribal property to Indian-owned corporations.
- g.* Participation of Indian people in political and civic life of the States.
- h.* Termination of tax exemption for Indian lands.

All programs should be specific and definite dates should be set for the attainment of each major element. Costs should be estimated carefully and each area program should be subject to approval by the Commissioner of Indian Affairs, by the Department head to whom he is responsible, and by the Congress.

Recommendation No. 5

The Commission recommends that, in addition to these general efforts to improve the Indian's lot, the program of assistance toward economic stability have two parts:

- a.* Young employable Indians and the better cultured families should be encouraged and assisted to leave the reservations and set themselves up on the land or in business.
- b.* Tribal and Indian enterprises should be put on a corporate or cooperative basis as far as possible.

Recommendation No. 6

The Commission recommends the following steps be taken to establish such business enterprises:

- a.* Each important enterprise should have its own charter and board of directors.
- b.* Basic policies and objectives should be incorporated in the charter.
- c.* Members of the board of directors should be preponderantly drawn from the Indian community and should be held financially accountable.
- d.* Other members of the board should be appointed because of their business or technical competence.
- e.* The creation of such corporations should be a part of the comprehensive program for each area.

- f. As such corporations are set up and begin to function successfully, administrative supervision by the Indian Bureau should be relaxed and eventually discontinued.**
- g. The accounts of these corporations should be audited annually.**

The corporate device is recommended as valuable in ending the troublesome problem of "heirship" lands, which frequently cannot be utilized because so many heirs share the ownership that they cannot agree on operations.

The Commission recommends that steps be taken to strengthen the elected tribal councils on reservations and to make them more representative. Effective leadership should be strengthened; and tribal government should be regarded as a stage in the transition from Federal tutelage to the full participation of the Indians in State and local government.

Administrative Recommendations

Recommendation No. 7

Superintendents are shifted too often from one area to another. The Commission recommends:

- a.* That a superintendent who is inadequate or inefficient be disciplined and the policy of undue leniency in this regard be abandoned.
- b.* That the Washington office use more personnel with field experience.
- c.* That each superintendency have a range of at least two grades under the Classification Act to allow promotion based on merit at any given post.²

Recommendation No. 8

The Commission further recommends:

- a.* That the Commissioner of the Bureau of Indian Affairs be a professional, permanent administrator; that, since the department head to whom the Indian Service is attached must assume political responsibility, he appoint the Commissioner.

² **DISSENT:** This is a matter of administrative determination which should be decided on the basis of a classification study. I do not think the task force was competent to judge in such a matter and the Commission certainly should not make such a recommendation.

JAMES K. POLLOCK,
Commissioner.

b. That budget and appropriations be made upon the basis of area programs.

c. That the Commissioner of Indian Affairs be free to organize the Service. However, consolidation of field jurisdiction should not be carried too far, and the emphasis should be on geographic areas suitable for programming. Greater authority for administration should be delegated to the superintendents.

All of these suggestions are aimed at greater local autonomy. Frequent, close, and personal supervision, adequate reports, and systematic audits will be necessary.

Transfer of the Bureau of Indian Affairs

Recommendation No. 9

The Commission recommends that, pending discontinuance of all specialized Indian activity on the part of the Federal Government, the Bureau of Indian Affairs be transferred to the new department which we have proposed as the successor to the Federal Security Agency, thereby associating it with the new department's social services.³

Federal appropriations for the Indian Bureau over the last 20 years have allocated more than 50 percent to welfare aspects of the Indian problem. The new department is best equipped to handle activities designed to assist the Indians as individuals.

Administratively, the new department will also be the Federal agency having direct contact with State welfare and education officials. More recently the Federal Security Agency has undertaken, in addition to its traditional relations with State agencies, programs of grants to the States for activities within its scope.

The professional skills and administrative relationships possessed by the new department should afford the best

³ Commissioner James H. Rowe, Jr., states doubts regarding these recommendations in a dissent on p. 79.

direction for handling the Indian problem, recognizing: (a) That the executive branch lacks any agency concerned with the political organization of ethnic groups, and (b) That any location of the Bureau of Indian Affairs leaves problems of interdepartmental coordination.

Existing conditions which prompt transfer of the Bureau are, briefly:

Education

Improved educational conditions are recognized as a means of increasing earning power. The average 1946 income of Indian farm families was less than \$1,000 and probably only about one-third that of non-Indian farm families.

The real problem of education is not in areas where public schools are available. It lies in those areas where Indian children are not being educated at all, where school facilities cannot take care of children who can and would attend. Buildings and teachers are inadequate. This denial of schooling to the Indians is inconsistent with all Federal Government commitments. New schools and new school methods are required.

Social Problems

Integration of the Indians depends, at least in part, on programs of social security which fall naturally within the scope of the Social Security Administration's various social services.

While the Commission urges transfer of the Bureau of Indian Affairs to the new department which we have proposed, for the reasons outlined, there are certain important activities of the Bureau relating to the economic status of the Indian which must be coordinated with the existing programs of other departments.

The Indian economy is now based almost exclusively on land, whether through direct management or by lease. More than this, it is for the most part a Western land economy—farming, stock raising, and forestry—heavily dependent on irrigation. Federal assistance to the Indian for irrigation, timber management and grazing will necessarily be part of the total program. This involves both the Department of Interior and the Department of Agriculture which will have to offer greater assistance to Indian owner-operators than to other private land owners.

Coordination With Other Departments

The location of the Bureau of Indian Affairs in the Interior Department has facilitated integration of land programs with general resource development. It appears to the Commission, however, that the location of the Bureau within this department has not yielded a proportionate return on the Government's investment in the Indians as a people, particularly those appropriations for health, welfare, and general vocational education.

Cooperative action between Interior, Agriculture, and the new department, can be mapped out when area programs for the Nation's Indian population are approved by the Congress. Area programs should be planned by Bureau superintendents with the field representatives of the Departments of Interior and Agriculture in consultation with tribal authorities and State and local officials.

Some of the activities to be coordinated and their present locations are: ⁴

DEPARTMENT OF AGRICULTURE.—(a) Technical Assistance: Extension services of the Department could be of inestimable value to Indian farmers and they should be an integral part of the Department's continuing activities in coordination with the Indian Bureau's comparable functions; (b) Soil Conservation: Prevention of erosion and improved soil conditions are vitally needed on Indian lands, requiring the guidance of experienced personnel of the Department of Agriculture; (c) Credit Problems: The Department of Agriculture's standard techniques in handling the problem of credit and related subjects can also be applied to assist Indian farmers and grazers; (e) Timber: Guidance and supervision of growth and cutting for sustained yield must be continued.

DEPARTMENT OF THE INTERIOR.—(a) Irrigation: Indians have little experience with irrigated land and need assistance

⁴ Various of the listed activities would be shifted to other departments if the Commission's reports on reorganization of the Departments of Agriculture, Commerce, and Interior are carried out.

and guidance; (b) Grazing: Present policies must be continued to prevent over-grazing and to improve range capacity; (c) Fish and Wildlife: These resources must be protected on Indian territory while it remains part of the public lands of the United States; (d) Mineral Rights: Exploitation of mineral resources must be guided in the interests of the Indians individually and of the Nation as a whole.

In another report the Commission has recommended an executive mechanism which can be charged with the task of integrating all major resource programs, including the entire Indian program, among participating departments.

Savings

An ultimate substantial reduction in Federal expenditures in the field of Indian Affairs is possible, if the recommendations of this report are carried through. No immediate cuts can be made, however, without delaying progress and postponing the time when expenditures can be curtailed substantially. In the end, the residual Federal expenditures for Indian affairs should be quite small.

When the trust status of Indian lands has ended, thus permitting their taxation, and surplus Indian families have established themselves off the reservations, special Federal aid to State and local governments for Indian programs should end. The Indians will have been integrated, economically and politically, as well as culturally.

The length of time before expenditures can be reduced, without building up future costs, will depend largely on the vigor with which the program outlined here is pushed. A clear and consistent policy, leadership and stable financial support will be essential.

Dissents of Commissioners

Dissent by Vice Chairman Dean Acheson

The Commission recommends the transfer of the Bureau of Indian Affairs to the Federal Security Agency or its successor. It recommends also necessary improvement in the education and public health facilities provided for Indians.

But the Commission goes beyond these recommendations for reorganization and improved efficiency and outlines objectives and purposes for an Indian policy. We are to integrate the Indian, remove "surplus" Indians from Indian lands, put the lands into private, individual, or corporate ownership, remove tax exemption, and, as soon as possible, merge the Indian, his life and lands with those of the people of the State where he resides, subject entirely to State jurisdiction.

These recommendations seem to me beyond our jurisdiction. If they are said to fall within it because they abolish functions of the executive branch, it is equally true that they change substantive legislative policy established by the legislative branch. We have neither the right nor the duty to enter this field. On occasion common sense may tell us not to draw too fine a line.

But, for me, this is not such an occasion. I have not the knowledge nor the time, in view of the vast amount of material before this Commission, to acquire it, to pass judgment

whether the policy recommended is wise, just, and understanding. Recollections of the painful history which surrounds the cases of *The Cherokee Nation v. The State of Georgia* (5 Peters 1) and *Worcester v. Georgia* (6 Peters 534), make a novice in this field pause before endorsing a recommendation to assimilate the Indian and to turn him, his culture, and his means of livelihood over to State control.

Dissent by Commissioner James H. Rowe, Jr.

I wish to be recorded as agreeing with Mr. Acheson in his dissent, and also to make a further comment:

There are many administrative questions pertaining to the Indian Service which the Commission report has ignored. Among them for instance is the very important question of the 50 million acres of Indian lands, interspersed with forest and range lands. Elsewhere we have recommended consolidation of the Forest Service and the Grazing Service, primarily because these lands are intermingled and should be under the supervision of one agency, not two. If the Indian Service is to be moved we create anew a mistake we have just rectified, a new duplication for an old.

Perhaps the Indian Service should remain where it is or perhaps it should be moved. Because the task force report has not sufficiently discussed such balance of interests as the land problem, which argues for no removal, against the virtues to the Indians of a new Social Security Agency, I am unable to form a reasoned judgment. If it is moved, there are certain to be most difficult coordination functions of land management between the two departments.

Dissent by Commissioner James Forrestal

The task force on Indian Affairs and the Commission members in this report adopt the policy that assimilation is the first step in the solution of "The Indian Problem." Without any consideration of those who opposed the forced assimilation of the Indian and in disregard of the fact that a controversial matter of substantive Congressional policy is involved, this step is boldly taken and most of the recommendations are contingent upon a policy of assimilation. I feel that this Commission, established as it was to examine into the organization of the executive branch of the Government, lacks both the competence and authority to make this basic policy decision. I, therefore, dissent from this report and that of the task force.

Related Task Force Report

Submitted separately to the Congress in typescript is the task force Report on Indian Affairs.

Acknowledgement

The Commission wishes to acknowledge the able service of the task force on Indian Affairs, comprising:

Chairman

GEORGE GRAHAM, Professor, Department of Political Science, Princeton University.

Committee

JOHN R. NICHOLS, President, New Mexico College of Agriculture and Mechanic Arts.

CHARLES J. RHOADS, former Commissioner of Indian Affairs.

REV. DR. GILBERT DARLINGTON, Treasurer of the American Bible Society.

U. S. GOVERNMENT PRINTING OFFICE: 1949

For sale by the Superintendent of Documents, U. S. Government Printing Office,
Washington 25, D. C. - Price 25 cents